

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7017**

**BILL NUMBER: SB 242**

**DATE PREPARED:** Dec 22, 1998

**BILL AMENDED:**

**SUBJECT:** Insurance Coverage for Certain Transplants.

**FISCAL ANALYST:** Alan Gossard

**PHONE NUMBER:** 233-3546

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires group insurance for public employees, group insurers, and health maintenance organizations (HMOs) to provide coverage for dose-intensive chemotherapy with autologous bone marrow transplant or stem cell transplant for women with breast cancer when performed by institutions approved by the National Cancer Institute or under protocols consistent with the guidelines of the American Society of Clinical Oncologists.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** This bill requires health plans offered to state employees to provide coverage for dose-intensive chemotherapy with autologous bone marrow transplant or stem cell transplant for women with breast cancer. To the extent that these benefits are not currently offered through the traditional indemnity plans or through the HMO plans as part of the state employee health benefit package, there would be additional costs incurred by these plans. Additional costs to the plans are estimated to range from \$560,000 to \$970,000 per year and may be reflected in increased premiums and enrollment fees. Increased premiums and fees, however, may or may not result in additional costs to the state depending upon administrative action as to the determination of the employer/employee cost share for health insurance benefits. The state currently pays about 95% of aggregate employee health plan costs.

In surveying the state employee health plans, two of the eight plans responded that the benefits mandated by this bill were already covered by their plans. Four plans project additional costs of \$0.49 ppm (per person per month), \$2.08 ppm, \$2.08 ppm, and 5% of premium. Two other plans, Humana and Maxicare, failed to respond. Based on the number of employees in each plan, estimated additional costs range from \$560,000 (assuming the two plans not reporting would not incur additional cost) and \$970,000 (assuming the two plans not reporting would incur costs equal to the average of the other plans).

Additional costs may be reflected in increased premiums and fees. However, increased premiums and fees

may or may not result in additional costs to the state depending upon administrative action as to the determination of the employer/employee cost share for health insurance benefits.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local governments and school corporations may face additional costs in the provision of health care benefits to their employees. The estimated total impact on health plan costs of this mandated benefit, based on the responses from the state's health plans and on state employees' participation in insurance and HMO plans, is about 0.6% of premiums. The impact on the health plan of any particular school corporation or local government would vary depending upon plan structure and type. Similar to the State, increased premiums and enrollment fees may or may not result in additional costs to local governments and school corporations depending upon administrative action as to the determination of the employer/employee cost share for health insurance benefits.

**Explanation of Local Revenues:**

**State Agencies Affected:** All

**Local Agencies Affected:** Local Governments and School Corporations

**Information Sources:** Keith Beesley, Department of Personnel, 232-3062.